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DE RUEHKT #0934/01 1001129 ZNY CCCCC ZZH O 101129Z APR 06 FM AMEMBASSY KATHMANDU TO RUEHC/SECSTATE WASHDC IMMEDIATE 1049 INFO RUEHLO/AMEMBASSY LONDON IMMEDIATE 3825 RUEHNE/AMEMBASSY NEW DELHI IMMEDIATE 9520 RUEHLM/AMEMBASSY COLOMBO IMMEDIATE 4435 RUEHKA/AMEMBASSY DHAKA IMMEDIATE 9523 RUEHBJ/AMEMBASSY BEIJING IMMEDIATE 4167 RUEHIL/AMEMBASSY ISLAMABAD IMMEDIATE 2421 RUEHKO/AMEMBASSY TOKYO IMMEDIATE 0752 RUCNDT/USMISSION USUN NEW YORK IMMEDIATE 1749 RUEAIIA/CIA WASHDC IMMEDIATE RHEHNSC/NSC WASHDC IMMEDIATE RHEFDIA/DIA WASHDC IMMEDIATE RUEKJCS/SECDEF WASHDC IMMEDIATE RHHMUNA/CDR USPACOM HONOLULU HI IMMEDIATE

CONFIDENTIAL KATHMANDU 000934

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DEPT FOR D, P, SCA

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SUBJECT: GOVERNMENT LOSING CONTROL?

REF: A. KATHMANDU 321

¶B. KATHMANDU 928

¶C. KATHMANDU 931

¶D. KATHMANDU 933 (NOTAL)

Classified By: Ambassador James F. Moriarty, Reasons, 1.4 (b/d).

11. This is an action request. Please see para. 8.

### Summary

12. (C) There is a growing sense in Nepal that time is running out for King Gyanendra and that the situation is slipping out of control. Since the seven-party alliance started their general strike on April 6, which they have extended indefinitely, Maoist violence and attacks have increased as have pro-democracy demonstrations across the country. More and more people are defying government-imposed curfews; there is a sense that the anti-Royal movement is gaining momentum, and if the King does not act soon, the government will not be able to keep control. We want to keep the pressure on the King to act to restore democracy and request the Department issue a strong statement. End Summary.

Maoist Attacks on the Rise

¶3. (C) The Maoists have conducted two major attacks over the past few days. All indications are that the RNA has not succeeded in disbanding the group of 4,000-5,000 Maoist cadre in the west, who remain poised to attack again. The April 7 attacks on Butwal, Rupandehi District Headquarters, and Taulihawa, capital of neighboring Kapilvastu District (septel), represent a major racheting up of violence. On January 31, Maoists attacked Tansen, Palpa District Headquarters, a town of 20,000 (ref A). The Maoist attack on Butwal was an attack against a city of 100,000, the zonal headquarters, and a major city on the East-West highway; and the Maoists were able to almost simultaneously attack Taulihawa, burning district headquarters buildings. On April 6, a separate Maoist force had attacked Sarlahi District headquarters of Malangawa (ref B), in the eastern Terai. The

Maoists have not been able to remain in, or take control of, any of the places they have attacked. The RNA can only defend its own garrisons, and cannot provide security to the rest of the country or prevent Maoist attacks.

# Anti-Royal Movement Gaining Momentum

14. (C) Across Nepal, more and more people are coming out and taking part in demonstrations against the King. Most observers believe the demonstrations are gaining momentum. Protesters do not seem to be so much in favor of the political parties as against the King; they are chanting anti-King slogans such as "Thief Gyanendra - Leave the Country" and "Hang the Killer." Political party sources have indicated that they do not have control over the protests, much less the protesters, leading to the possibility that events could turn increasingly violent. Many Nepalis are making comparisons to Nepal's 1990 democracy movement, which succeeded in bringing democracy to Nepal, noting that although demonstrations in Kathmandu have not yet attained the numbers of 1990, significant protests are occurring throughout the country, oftentimes in defiance of a government-imposed curfew.

## Government Curfews Increasingly Failing

15. (C) There is a legitimate concern that increasing numbers of people will stop respecting the government's orders and efforts to enforce security. The widespread popular defiance of the curfew has increased the government's concern, as well as provided momentum to the pro-democracy, anti-King movement. In Kirtipur, within the Kathmandu Valley, but outside the ring road, 15,000 people lay down in the streets in violation of the curfew. Across the country, demonstrators are venturing out into the street to protest, and the government appears unable to maintain law and order. People are unsure how to interpret Home Minister Kamal Thapa's threats to enforce the curfew more strictly. Thus far, police confirm that they have not received "shoot on sight" orders for anyone violating the curfew. (Note: During the January 20 curfew, the government issued such orders, which had a negative effect on Nepal's image internationally. End Note.) There is also a sense that the government has overused the curfew orders. The 13-hour curfew on April 9 from 7:00 am to 8:00 pm in Kathmandu, given on short notice, provoked citizens' ire, as people could not obtain food and water necessary for the day. The government has to balance actions that may alienate the public with legitimate concerns about Maoist violence. Thus far, the government has not been able to convince the people that it has imposed the curfew to protect Kathmanduites rather than to stifle freedom of assembly and expression.

# Comment: The Way Forward

- 16. (C) The good news is that the King and his supporters appear more worried and isolated than at any time in the past. The bad news is that there is a real danger that things here could spin out of control in the coming days, to the benefit of the Maoists. This suggests that we need to keep the pressure on the King to the extent possible, including by exploring more vigorously with the GOI and Europeans targeted sanctions against the royal family (ref D). At the same time, we should make it clear that reconciliation between the Palace and the parties remains the preferred option, but only if the King is willing to turn over, quickly, most of his power. With the political parties, we must get them to define their end game for the current protests: what exactly do they want from the King, and how will they ensure that they do not get swallowed up by the Maoists if their movement succeeds.
- 17. (C) And finally, as we make our big push to get the King to do the right thing, we can not afford to pretend that the Maoist threat has somehow lessened. Right now, the Maoists

are following to the letter the strategy laid out in early January by their chief strategist, Dr. Baburam Bhatterai: combining their violence in the countryside with civil disturbances in the cities created by the political parties in order to topple the monarchy. The strategy, which appears to be working, rests on the assumption by the Maoists that they will come out on top if their violence plays a significant role in a revolution that removes the King. To counteract this strategy, we should make their decision to use violence as costly to the Maoists as possible. This will involve not only having the parties push the Maoists, but also convincing the GOI to threaten concrete actions against Maoist interests, if the Maoists remain wedded to violence. Maybe this is a good time for the Maoist leadership to return from the drawing rooms of New Delhi to the jungles and hills of Nepal.

### Action Request

18. (C) Post recommends that the department spokesperson issue a statement calling on the King to act to restore democracy as time is running out in Nepal.

#### Proposed Text:

Nepal's King Must Change Course

In light of recent widespread protests and violence in Nepal, the United States calls on the King to reverse his unsuccessful course - and soon. In the last several days, security forces detained hundreds of Nepalis and killed at least four protesters; more and more citizens defied government-imposed curfews; and popular momentum grew behind political parties' demands for a return to democracy. Moreover, Maoist insurgents have taken advantage of the instability to launch large-scale attacks across the country.

These events underscore the abject failure of fourteen months of direct palace rule. To avoid further violence, instability, and Maoist gains, we urge the King to reach out to the parties in order to restore democracy to the country. This remains the best way to deal with the Maoist insurgency and to return peace and prosperity tot he people of Nepal. It is time the King recognizes this fact, and acts upon it.

End Proposed Text. MORIARTY